programme through the State Seed Corporations. As regards incentives for increasing handloom production, Government have been implementing schemes like Hank Yarn Price Subsidy Scheme and Mill-Gate Price Scheme for supply of hank yarn to weavers and extending excise duty concessions on various types of yarn used in the handloom sector.

Agitation by Pilots of Indian Airlines

938. SHRI KRISHAN LAL SHARMA: Will the Minister of CIVIL AVIATION AND TOURISM be pleased to state:

(a) whether it is a fact that an agitation is going on among the Pilots of the Indian Airlines due to the hike in pay and allowances of Air Hostesses;

(b) whether it is also a fact that this has led to disruption of air traffic causing much inconvenience to the public;

(c) if so, number and dates when disruption of air-traffic took place due to one reason or other;

(d) whether Government propose to evolve a system to avoid disruption of air-traffic in future; and

(e) if so, the details thereof and if not, the reasons therefor?

THE MINISTER OF CIVIL AVIATION AND TOURISM (SHRI GHULAM NABI AZAD): (a) Indian Commercial Pilots' Association (ICPA) had issued a directive to its members on 5th June, 1995 not to fly with Cabin Crew who were drawing higher scale of pay than the Co-pilots on the plea that it would interfere with the chain of command on board the flight.

(b) and (c) During the period from 8.6.1995 to 26.6.1995, 48 flights were cancelled.

(d) and (e) Yes, Sir. To deal with such situations, Indian Airlines has prepared a contingency plan to operate as many schedules as possible.

Enquiry Report in Bank of India Finance Limited

939. SHRI PRAGADA KOTAIAH: DR. SHRIKANT RAMCHANDRA JICHKAR:

Will the Minister of FINANCE be pleased to state:

(a) whether an enquiry into the systems and procedures of the Bank of India Finance limited, which lead to securities irregularities, has been completed by the Reserve Bank of India;

(b) if so, what are the findings of the enquiry report and who has been made responsible for the systems and procedures failure; and

(c) what action has been taken on the culprits?

THE MINISTER OF FINANCE (SHRI MANMOHAN SINGH): (a) to (c) Reserve Bank of India (RBI) have reported that no specific enquiry has been conducted by them exclusively on systems and procedures followed in Bank of India Finance Ltd. (BOIFIN). The Special Officer appointed by the RBI to look into accountability of the top management of BOIFIN for the irregularities in securities transactions had brought out certain shortcomings in systems and procedures. These were taken up by RBI with Bank of India for corrective action.

Multinational Investment Guarantee Agreement

940. SHRI SURESH PACHOURI: Will the Minister of FINANCE be pleased to state:

(a) what are the salient features of Multilateral investment Guarantee Agreement (MIGA);

(b) Since India is signatory to the agreement, what are the benefits which will accrue to the country:

(c) what are the kinds of risks covered under MIGA; whether it also covers commercial risks; and

(d) in the light of Enron power project controversy, whether Government of an investor country can initiate action against India for going back on any investment contracts?

THE MINISTER OF FINANCE (SHRI MANMOHAN SINGH): (a) The main feature of MIGA is the promotion of private investment for economic development in member countries through the provision of:—

(i) Guarantees to the foreign investors against losses caused by non-commercial risks;

(ii) Advisory and promotional services to member countries to assist them in creating a responsive investment climate and an information base to guide and encourage the flow of capital to developing countries.

(b) the main benefit of joining MIGA will be that if would help in facilitating foreign direct investment in the country.

(c) MIGA covers only the following four broad categories of non-commercial risks:—

(i) Currency transfer;.

(ii) Expropriation and similar measures

(iii) Breach of contract;

(iv) War and civil disturbance.

(d) Where the investment is guaranteed under MIGA, the investor can initiate action to claim compensation from MIGA.

Profit Shown by Banks

941. SHRI TRILOKI NATH CHATURVEDI:
DR. MURLI MANOHAR JOSHI:

Will the Minister of FINANCE be pleased to state:

(a) the names of banks which have shown profit in 1994-95 and the amount of profits;

(b) which of the above banks were showing losses in the immediately preceding four years and the amount of losses;

(c) what were the measures taken by banks to cross the red/loss line; and

(d) whether it is a fact that most of the profits shown are not real profits but are the result of doctrining the balance sheets and whether the RBI propose to scrutinise the balance sheets as reported in the Business Age ot 7th July, 1995?

THE MINISTER OF FINANCE (SHRI MANMOHAN SINGH): (a) and (b) Information regarding profit/loss of public sector banks for the years ending on 31st March, 1991, 1992, 1993, 1994 and 1995, as reported by Reserve Bank of India (RBI), is given at [Appendix 174, Annexure No. 29]

(c) Government and RBI have impres upon the banks the need to strengthe their credit appraisal machinery an exercise close supervision and contro over advances. While allocating re capitalisation funds, nationalised bank were advised by RBI to prepare actio plans on key areas of their working. Th introduction of prudential norms has als made the management of banks risk sensitive.

(d) The balance sheet and profit an loss account of banks are prepared terms of section 29 of the Bankin Regulation Act, 1949 and audited b qualified statutory auditors of the ban If the balance sheet and profit and lo account have any deficiencies, these a brought out by the auditors in the report attached to the balance sheet. RI also scrutinises the balance sheets nationalised banks.